

## Message Text

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17

ORIGIN EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 H-02 NSC-05 SS-15

STR-04 CEA-01 PA-02 PRS-01 /099 R

DRAFTED BY EB/OT/GCP:RLANDERS:DI

APPROVED BY EB/OT/GCP:SAHMAD

ARA/APU:JSMITH

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R 090308Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

UNCLAS STATE 169840

E.O. 11652: N/A

TAGS: ETRD, BDIS, AR

SUBJECT: CONGRESSIONAL REQUEST FOR UPDATE OF REPORT ON  
TRADE PROBLEM; A-1 TOOL AND MACHINE COMPANY VS. FIPLASTO  
S.A.C.I. CO.

1. CONGRESSMAN JOSEPH SKUBITZ HAS ASKED THAT WE UPDATE  
OUR REPORT ON THE SUBJECT TRADE PROBLEM WHICH EMBASSY  
BUENOS AIRES INVESTIGATED LAST FALL. IN LIGHT OF THE  
CHANGE OF GOVERNMENT AND THE ADOPTION OF DIFFERENT  
ECONOMIC POLICIES BY THE NEW REGIME, WE AGREED TO SEEK  
SUCH AN UPDATE. EMBASSY IS THEREFORE REQUESTED TO LOOK  
INTO THE MATTER AND REPORT TELEGRAPHICALLY TO THE  
DEPARTMENT. THE TEXT OF THE CONSTITUENT'S ORIGINAL LETTER  
IS REPEATED BELOW FOR YOUR REFERENCE. HE HAS CONFIRMED  
BY TELEPHONE THAT THE SITUATION REMAINS UNCHANGED.

2. QUOTE: TO: JOE SKUBITZ M.C. C/O MR. BILL SHOTE

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CC SENATOR PEARSON. FROM A-1TOOL AND MACHINE INC.

RT. 3 - PITTSBURG, KANSAS 66762. PHONE: 316-231-8580.  
FRED BOHAM

GENTLEMEN:

ON JANUARY 2ND 1974 THE "FIPLASTO S.A.C.I. CO.", MAIPU 942, BUENOS AIRES, ARGENTINA, THRU THEIR U.S. AGENT "HARDBOARD INTERNATIONAL", 2516 VIA TEJON, PALOS VERDES ESTATES, CALIFORNIA. 90274:, ORDERED A SPECIAL HARDBOARD GROOVING MACHINE FROM US. THE TOTAL PRICE WITH SPARES WAS 31,643.50 DOLLARS. THE ORDER WAS ACCOMPANIED WITH A DOWN PAYMENT OF 5,000.00 DOLLARS AND SINCE THEN THEY HAVE PAID ANOTHER 7,500.00 DOLLARS ADVANCE.

WE MANUFACTURED THE MACHINE TO THE SPECIFICATIONS AND INFO. SET FORTH IN THEIR PURCHASE ORDER AND THE MACHINE WAS COMPLETED, TRIED OUT IN OUR PLANT AND APPROVED BY THEIR TECHNICAL REPRESENTATIVE, EXPORT CRATED AND MADE READY TO SHIP IN SEPT. '74 (TERMS WERE CASH IN FULL BEFORE SHIPMENT).

FIPLASTO S.A.C.I. WAS DULY NOTIFIED THAT MACHINE WAS READY FOR SHIPMENT AND THEY KEEP STALLING US FOR ONE REASON OR ANOTHER. THE LATEST THING THEY TELL US IS THAT THEY CANNOT GET AN IMPORT LICENSE FROM THEIR GOVT.

FIPLASTO IS A VERY LARGE COMPANY IN ARGENTINA AND THEY ARE CREATING AN UNDUE HARDSHIP ON OUR VERY SMALL SHOP, AS THEY HAVE HAD ABOUT 20,000.00 DOLLARS OF OUR MONEY (AND INTEREST) TIED UP FOR NEARLY A YEAR NOW.

IS THERE ANY WAY YOU CAN GET WITH THE STATE DEPT. AND BRING SOME PRESSURE ON THE ARGENTINE GOVT. TO GRANT "FIPLASTO" A IMPORT LICENSE SO THIS TRANSACTION CAN BE COMPLETED.

ANYTHING YOU CAN DO TO HELP WOULD BE APPRECIATED AS THIS AMOUNT OF MONEY OUT OF OUR WORKING CAPITOL, PUTS US IN A VERY PRECARIOUS FINANCIAL SITUATION.

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IT SHOULD BE NOTED THAT FIPLASTO EXPORTS LARGE AMOUNTS OF HARDBOARD TO THE U.S.A. FOR WHICH I ASSUME THE RECENT PAYMENT. IT SEEMS TO ME THAT THEY SHOULD KEEP THEIR FIRM COMMITMENT. THANK YOU FRED BOHAM. END QUOTE.

3. FYI WE ARE UNABLE TO LOCATE FILE COPIES OF OUR CORRESPONDENCE WITH THE EMBASSY ON THIS SUBJECT BUT

BELIEVE IT CONSISTED OF A NOTE FROM JANINA SLATTERY EB/OT/GC  
ON OR ABOUT AUGUST 28, 1975, TO THE E/C SECTION AND A  
RESPONSE BY O.M. TO THE DEPARTMENT. END FYI KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN TRADE, TRADE COMPLAINTS, US CONGRESSIONAL PRESENTATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE169840  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RLANDERS:DI  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760265-0073  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760773/aaaacmfo.tel  
**Line Count:** 118  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** schwenja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 FEB 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 FEB 2004 by ThomasVJ>; APPROVED <12 AUG 2004 by schwenja>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONGRESSIONAL REQUEST FOR UPDATE OF REPORT ON TRADE PROBLEM; A-1 TOOL AND MACHINE COMPANY VS. FIPLASTO  
**TAGS:** ETRD, BDIS, AR, A-1 TOOL & MACHINE CO, FIPLASTO SACI CO  
**To:** BUENOS AIRES  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006